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AZAA-HR

07 December 2005

MEMORANDUM FOR ALL COMMANDERS, MANAGERS AND SUPERVISORS OF THE  
ARIZONA NATIONAL GUARD

SUBJECT: ARIZONA NATIONAL GUARD RECRUITMENT, RELOCATION AND  
RETENTION INCENTIVES PLAN

1. Section 101 of the Federal Workforce Flexibility Act of 2004 (Public Law 108-411, October 30, 2004) established significantly enhanced recruitment, relocation and retention payment authorities. The new authorities replace the recruitment and relocation incentive and retention incentive authorities at 5 U.S.C. 5753 and 5754.
2. Sections 5753 and 5754 of Title 5, United States Code (U.S.C.) have been amended to provide new authorities to provide recruitment, relocation and Retention (RRR) incentives. On May 13, 2005, the Office of Personnel Management (OPM) published regulations stating Agencies are required to establish a plan before implementing 5 U.S.C. 5753 and 5754 and the requirements of Title 5, Code of Federal Regulations (CFR) Part 575. This plan has been staffed and approved by all command elements of the AZNG.
3. The Human Resources Office Staffing section is the point of contact for the Arizona National Guard Retention Plan (attached) and may be contacted at 602-267-2789 or 2960.

FOR THE ADJUTANT GENERAL:

//SIGNED//

SUSAN L. WEHRLE, Colonel, AZ ANG  
Human Resources Officer

**RECRUITMENT, RELOCATION AND RETENTION  
INCENTIVE PLAN  
FOR  
ARIZONA NATIONAL GUARD TECHNICIANS**

(Prepared by Susan E. Wilson, November 2005)  
Submitted for Approval and Implementation to:  
Human Resource Office  
The Adjutant General of Arizona

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## **General Information:**

The Office of Personnel Management (OPM) authorizes agencies to pay Recruitment, Relocation and Retention Incentives under 5 U.S.C. 5753 and 5754. In addition, Advanced In-Hire Rates are authorized under 5 U.S.C.5333. These authorities were delegated to the Adjutants General by NGB-HRC (690-300), 21 June 1995, Subject: Decentralization of Personnel Authorities. The purpose of this plan is to satisfy the implementation requirements of the Code of Federal Regulations (CFRs) associated with Recruitment, Relocation and Retention Incentives, as well as Advanced In-Hire Rates for “Superior Qualifications.”

On May 13, 2005, the Office of Personnel Management (OPM) issued interim regulations, implementing the provisions of 5 U.S.C. 5753 and 5754 by replacing the existing regulations at part 575, subparts A, B and C of Title 5, Code of Federal Regulations (CFR). Part 575, subpart A, authorizes the payment of a recruitment incentive to an employee newly appointed to a position that is likely to be difficult to fill in the absence of an incentive. Part 575 subpart B, authorizes the payment of a relocation incentive to a current employee who must relocate to a new geographic area to accept a position that is likely to be difficult to fill in the absence of an incentive. Part 575, subpart C, authorizes the payment of a retention incentive to a current employee with unusually high or unique qualifications or when there is a special need of the agency for the employee’s service that make it essential to retain the employee and when the Agency determines that the employee would be likely to leave the Federal Service in the absence of an incentive.

In addition, 5 U.S.C. 5753(b) was amended to allow OPM to authorize recruitment incentives for current employees of the same or a different agency who move to a position in the same geographic area that is likely to be difficult to fill in the absence of the incentive. The Act also amended 5 U.S.C.5754 to allow OPM to authorize retention incentives for current employees who would be likely to leave their positions for different positions in the Federal Service. However, OPM regulations do **not** provide agencies with the authority to pay recruitment or retention incentives to current employees in interagency movements.

The Arizona National Guard Human Resources Office administers this plan with the delegated authority from the TAG to the Human Resources Officer.

This policy includes a new GS-05/ GS-06 Retention Plan which supersedes GS-05/GS-06 Retention Plan dated 28 January 2001.

# **RECRUITMENT INCENTIVE**

## **Description**

An Agency may pay a recruitment incentive to a newly-appointed employee if the Agency has determined that the position is likely to be difficult to fill in the absence of an incentive.

## **Covered Positions**

A recruitment incentive may be paid to an eligible individual appointed to a General Schedule (GS) or prevailing rate position (Federal Wage Survey (FWS) includes WG, WL and WS).

## **Excluded Positions**

Recruitment incentives may not be paid to Temporary Appointees, those in positions excepted from the competitive service by reason of their confidential, policy determining, policy making, or policy advocating natures, agency heads or those expected to receive an appointment as an agency head.

## **“Newly Appointed”**

Recruitment incentives may be paid to an employee who is newly appointed to the Federal Government. "Newly appointed" refers to the first appointment under competition (regardless of tenure) as an employee of the Federal Government, or an appointment following a break in service of at least 90 days from a previous appointment as an employee of the Federal government. Exception to this 90-day break in service is a temporary appointment that is converted to indefinite/permanent through the competitive process.

## **Agency Plan**

Recruitment incentives will be requested and approved on a case-by-case basis. Justification must accompany any request for recruitment incentive outlining critical hire basis for the position being hard to fill. Documentation must show recent success or failure to recruit candidates for the position or similar positions, including indicators such as offer acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions. Document recent turnover in similar positions; special qualifications needed for the position; and practicality of using the superior qualifications appointment authority provided by 5 U.S.C. 5333 and 5 CFR Sec 531.203(b) alone or in combination with a recruitment incentive.

## **Recruitment Incentives Requirements and Approval Procedures**

1. In determining whether to authorize a recruitment incentive, supervisors, nominating officials and authorizing officials may consider a number of factors, as applicable to the case at hand. These factors may include employment trends and labor-market factors, non-Federal salaries paid for similar positions, special or unique competencies required for the position, agency efforts to use non-pay authorities, and the desirability of the duties, work or organizational environment, or location of the position, (see 5 CFR 575.106(b)). The written determination authorizing the recruitment incentive must specifically address one or more of these factors, or other pertinent factors, and must address the basis for determining the amount of the incentive and the basis for the length of the required service period.
2. Recruitment incentives of up to 25 percent of an employee's annual rate of basic pay (to include either locality pay or a special rate supplement) may be paid if the employee signs a written service agreement (under the provisions of 5 CFR 575.110) to complete a period of not less than six months and not more than four years of employment with the Agency.
  - a. Payment will be made in four (4) equal installments: first installment at beginning of service agreement, second installments by first quarter, third installment at the halfway point and fourth installment by third quarter of service agreement (unless a different method of payment is requested and approved).
  - b. As specified in 5 CFR 575.109 (b), the maximum recruitment incentive that may be paid is proportionate to the length of the service period. However, no incentive greater than 25 percent may be paid under this interim plan.
3. Recruitment Incentives may be paid provided there is a written determination that the position is likely to be difficult to fill in the absence of the incentive
4. Incentives may be paid only when the employee's rating of record (or official performance appraisal or evaluation under a system not covered by 5 U.S.C. Chapter 43 or 5 CFR Part 430) for the position held immediately before the move is at least "Fully Successful" or equivalent. (See CFR 575.111(b)).
5. An employee selected to receive a recruitment incentive must sign an agreement stating the terms, limitations, or conditions of service, prior to receiving any payments.
6. Supervisor or Nominating Official recommends the action and amount of percentage to Human Resources Office for review and approval. Level of review will be at least one level higher than the requesting official for documenting need, recommending the amount of recruitment incentive, and the length of the required service contract to HRO.
7. The service agreement will:
  - a. State the period of service agreed to by the employee

- b. State the beginning and ending dates of the service period and the total amount authorized for payment. Service periods must begin on the first day of a pay period and end on the last day of a pay period. The incentive payment will be paid in installments throughout the service period, (see Para 2a. of this section).
  - c. State the total amount and method of payment of the incentive
  - d. State the conditions under which the Agency must terminate the agreement (i.e., if an employee is demoted or separated for cause, or receives a rating of record of less than “Fully Successful”). The agreement may include other terms or conditions that, if violated, also will result in termination of the service agreement (i.e., loss of required licensing, loss of required security clearance); and
  - e. State the consequence of decisions to terminate service agreements
8. An employee who fails to complete the period of service specified in the service agreement for the reasons stated in 5.d. must reimburse the Agency for the amount of all benefits received under the existing agreement that are in excess of the amount attributable to completed service.
  9. An employee who fails to complete the period of service because the authorizing official unilaterally terminates a service agreement based solely on a management need is entitled to all incentive payments already received.
  10. An authorizing official must notify an employee in writing when an employee’s service agreement is terminated. Decisions to terminate agreements may not be grieved or appealed.
  11. The authorizing official must notify an employee in writing when an employee’s service agreement is terminated. Decisions to terminate agreements may not be grieved or appealed.
  12. The debt collection process for continuing employees is outlined in DoD 7000.14-R, Department of Defense Financial Management Regulation (DoDFMR), Volume 8, while that for debtors no longer in Government service is found in DoDFMR, Volume 5.

## **Documentation**

1. The authorizing official is responsible for ensuring that each incentive is documented and records are maintained in accordance with 5 CFR, Part 575, and this plan.
2. Incentives will be processed in the Defense Civilian Personnel Data System (DCPDS) in accordance with OPM processing instructions.
3. The supervisor will forward original documents through the nominating official to HRO. HRO will maintain original, and return a copy to supervisor for plan review and analysis.

## **Reporting Requirements**

1. Data from DCPDS will be the primary source of numerical information on the use of incentive authorities.
2. HRO will provide narrative reports on the use of incentive authorities as required to meet OPM reporting requirements. (See 5 CFR 575-113(b)).

## **Accountability**

1. The HRO shall ensure appropriate and effective use of these authorities to support mission requirements
2. The Authorizing Officials shall:
  - a. Determine which positions require the payment of an incentive;
  - b. Annually review retention incentive, adjust payment amounts as warranted by conditions that have changed since the incentive was authorized, and record the results of this review in writing;
  - c. Terminate recruitment or relocation incentive service agreements and retention incentive payments not consistent with this policy; and
  - d. Keep accurate records of written determinations.

## **References**

5 U.S.C. 5753  
5 CFR Part 575, Subpart A



# **RELOCATION INCENTIVE**

## **Description**

An Agency may pay a relocation incentive to a current employee who must relocate to accept a position in a different geographic area if the agency determines the position is likely to be difficult to fill in the absence of an incentive. A relocation incentive may be paid only when the employee's rating of record under an official performance appraisal or evaluation system is at least "Fully Successful" or equivalent.

## **Covered Positions**

A relocation incentive may be paid to an eligible individual appointed to a General Schedule (GS) or a prevailing rate position (Federal Wage Survey (FWS) includes WG, WL and WS).

## **Excluded Positions**

Relocation incentives may not be paid to Temporary Appointees, those in positions excepted from the competitive service by reason of their confidential, policy determining, policy making, or policy advocating natures, agency heads or those expected to receive an appointment as an agency head.

## **Relocation to a Different Geographic Area**

Relocation incentives may be paid to an employee of the Federal Government who must relocate to a different geographic area without a break in service to accept a position in an agency or to an employee of an agency who must relocate to a different geographic areas (permanently or temporarily) to accept a position. A position is considered to be in a different geographic area if the worksite of the new position is 50 or more miles from the worksite of the position held immediately before the move. If the worksite of the new position is less than 50 miles from the worksite of the position held immediately before the move, but the employee must relocate (i.e., establish a new residence) to accept the position an authorized agency official may waive the 50-mile requirement and pay the employee a relocation incentive. In all cases, an employee must establish a residence in the new geographic area before the agency may pay the employee a relocation incentive. If paying a relocation incentive to a newly appointed employee in lieu of a PCS move, the employee must be highly qualified and being moved to a "hard to fill" position.

## **Agency Plan**

Relocation incentives will be requested and approved on a case-by-case basis. Written justification must accompany request for relocation incentive outlining critical hire, basis for position being difficult to fill in the absence of a relocation incentive, the amount and timing of the incentive payments, the length of the service period, and that the worksite of the new position is in a different geographic area than the previous position. The determination to pay a relocation incentive MUST be made before the employee enters on duty in the position at the new duty station.

## **Relocation Incentives Requirements and Approval Procedures**

1. In determining whether to authorize a relocation incentive, supervisors, nominating officials and authorizing officials must consider a number of factors, as applicable to the case at hand. These factors include employment trends and labor-market factors, non-Federal salaries paid for similar positions, special or unique competencies required for the position, agency efforts to use non-pay authorities, and the desirability of the duties, work or organizational environment, or location of the position. (See 5 CFR 575.206. The written determination authorizing the recruitment incentive must specifically address one or more of these factors, or other pertinent factors, and must address the basis for determining the amount of the incentive and the basis for the length of the required service period.
2. Relocation incentives of up to 25 percent of an employee's annual rate of basic pay at the beginning of the service period (to include either locality pay or a special rate supplement) may be paid if the employee signs a written service agreement (under the provisions of 5 CFR 575.110) to complete a period of not less than six months and not more than four years of employment with the Agency.
  - a. The Agency will pay relocation incentives in a lump-sum at the beginning of the service period specified by the agreement (unless a different method of payment is requested and approved).
  - b. As specified in 5 CFR 575.209(c), the maximum relocation incentive without OPM approval that may be paid is proportionate to the length of the service period. However, no incentive greater than 25 percent may be paid under this plan.
3. Relocation Incentives may be paid provided there is a written determination that the position is likely to be difficult to fill in the absence of the incentive. The written determination must also document that the employee's new position is not in the same geographic area as the worksite of the position held before the move (or that the authorizing official has approved a waiver under 5 CFR 575.205(b)), and that the employee has established a residence in the new geographic area.
4. Incentives may be paid only when the employee's rating of record (or official performance appraisal or evaluation under a system not covered by 5 U.S.C. Chapter 43 or 5 CFR Part 430) for the position held immediately before the move is at least "Fully Successful" or equivalent. (See CFR 575.205(c) or CFR 575.211(b).
5. An employee selected to receive a relocation incentive must sign an agreement stating the terms, limitations, or conditions of service, prior to receiving any payments.
6. Supervisor, Nominating Official recommends the action and amount of percentage to Human Resources Office for review and approval for the action. Level of review will be at least one level higher than the requesting official for documenting need, recommending the amount of relocation incentive and the length of the required service contract to HRO.

7. The service agreement will:
  - a. State the period of service agreed to by the employee
  - b. State the beginning and ending dates of the service period and the total amount authorized for payment. Service periods must begin on the first day of a pay period and end on the last day of a pay period. The incentive may be paid as an initial lump-sum payment at the beginning of the service period, in installments throughout the service period, as a final lump-sum payment upon completion of the service period, or in a combination of these methods.
  - c. State the total amount and method of payment of the incentive
  - d. State the conditions under which the Agency must terminate the agreement (i.e., if an employee is demoted or separated for cause, or receives a rating of record of less than “Fully Successful”). The agreement may include other terms or conditions that, if violated, also will result in termination of the service agreement (i.e., loss of required licensing, loss of required security clearance); and
  - e. State the consequence of decisions to terminate service agreements
8. An employee who fails to complete the period of service specified in the service agreement for the reasons stated in 5.d. must reimburse the Agency for the amount of all benefits received under the existing agreement that are in excess of the amount attributable to completed service.
9. An employee who fails to complete the period of service because the authorizing official unilaterally terminates a service agreement based solely on a management need is entitled to all incentive payments already received.
10. An authorizing official must notify an employee in writing when an employee’s service agreement is terminated. Decisions to terminate agreements may not be grieved or appealed.
11. The authorizing official must notify an employee in writing when an employee’s service agreement is terminated. Decisions to terminate agreements may not be grieved or appealed.
12. The debt collection process for continuing employees is outlined in DoD 7000.14-R, Department of Defense Financial Management Regulation (DoDFMR), Volume 8, while that for debtors no longer in Government service is found in DoDFMR, Volume 5.

## **Documentation**

1. Each authorizing official is responsible for ensuring that each incentive is documented and records are maintained in accordance with 5 CFR, Part 575, and this plan.

2. Incentives will be processed in the Defense Civilian Personnel Data System (DCPDS) in accordance with OPM processing instructions.
3. The supervisor will forward original documents through the nominating official to HRO. HRO will maintain original and return a copy to supervisor for plan review and analysis.

### **Reporting Requirements**

1. Data from DCPDS will be the primary source of numerical information on the use of incentive authorities.
2. HRO will provide narrative reports on the use of incentive authorities as required to meet OPM reporting requirements. (See 5 CFR 575-113(b)).

### **Accountability**

1. The HRO shall ensure appropriate and effective use of these authorities to support mission requirements
2. The Authorizing Officials shall:
  - a. Determine which positions require the payment of an incentive;
  - b. Annually review retention incentive, adjust payment amounts as warranted by conditions that have changed since the incentive was authorized, and record the results of this review in writing;
  - c. Terminate recruitment or relocation incentive service agreements and retention incentive payments consistent with this policy; and
  - d. Keep accurate records of written determinations.

### **References**

5 U.S.C. 5753  
5 CFR Part 575, Subpart B

# **RETENTION INCENTIVE**

## **Description**

An Agency may pay a retention incentive to current employees if the agency determines that the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee and that the employee would be likely to leave the Federal Service in the absence of a retention incentive. A retention incentive may be paid only when the employee's rating of record under an official performance appraisal or evaluation system is at least "Fully Successful" or equivalent. Specific groups of employees may be eligible for a retention Incentive only if a separate plan is written and approved.

## **Covered Positions**

A retention incentive may be paid to an eligible individual in a General Schedule (GS) or prevailing rate position (Federal Wage Survey (FWS) includes WG, WL and WS).

## **Excluded Positions**

Retention incentives may not be paid to Temporary Appointees, those in positions excepted from the competitive service by reason of their confidential, policy determining, policy making, or policy advocating natures, agency heads or those expected to receive an appointment as an agency head.

## **Agency Plan**

Retention incentives will be requested and approved on a case-by-case basis unless there is a group retention plan in place for particular series and/or grades. Required documentation will include justification that an employee would be likely to leave the Federal Service in the absence of a retention incentive, and the special need of the agency to retain the employee. The amount of retention incentive, timing and length of the service period will be determined on a case-by-case basis. The Agency may make this determination based on a consideration of the factor listed in 5 CFR 575.306(b) listed below:

(a) A retention incentive shall be calculated as a percentage of the employee's rate of basic pay (not to exceed 25 percent) and paid in the same manner and at the same time as basic pay; the incentive shall be paid as a percentage of the hourly rate for each hour during which the employee receives basic pay. It shall not be considered part of an employee's rate of basic pay for any purpose (including any pay setting action, retirement, high three average, etc.)

(b) Except as provided in 5 CFR 575.307(a), an agency may continue payment of a retention incentive as long as the conditions giving rise to the original determination to pay the incentive still exist. However, at least annually, each determination to pay an incentive shall be reviewed by the agency to determine whether the payment is still warranted, and this determination shall be certified in writing by the approving official.

(c) A retention incentive is not pay for purposes of a lump-sum payment for annual leave under 5 U.S.C. 5551 or 5552.

### **Payment of Retention Incentive**

Retention Incentive is expressed as a percentage of the employee's rate of basic pay (to include special pay rate or locality payment), not to exceed (NTE) 25%. Retention incentives may not be offered or authorized for an individual prior to employment with the agency. An Agency may not begin paying a retention incentive during the service period established by an employee's recruitment or relocation incentive service agreement. However, a relocation incentive may be paid to an employee who is already receiving a retention incentive. A retention incentive is not part of an employee's rate of basic pay for any purpose.

Payment of a retention incentive is subject to the aggregate limitation on pay under 5 CFR part 530, subpart B.

### **Service Agreement**

A service agreement may be required before a Retention Incentive is offered and authorized. The minimum service agreement is 6 months. A service agreement is not required if an Agency pays an employee a Retention Incentive in bi-weekly installment of equal payments. Retention Incentives may **not** be paid in advance of fulfilling the service; a lump-sum payment may be paid at the end of the service agreement. (See 5CFR 575.310(f).)

### **Continuation, Reduction, or Termination of a Retention Incentive**

#### **Discretionary**

This Agency may unilaterally terminate a retention incentive service agreement based solely on management needs, in which case the employee is entitled to retain any retention incentive payment attributable to completed service and to receive any portion of a retention incentive payment owed by the agency for completed service.

#### **Mandatory**

This Agency must terminate a service agreement if the employee is demoted or separated for cause (i.e., for unacceptable performance or conduct), receives a rating of record below "Fully Successful" or equivalent during the service period, or otherwise fails to fulfill the terms of the service agreement. In such cases, the employee is entitled to retain retention incentive payments previously paid by the agency that are attributable to the completed portion of the service period. If the employee received retention incentive payments that are less than the amount that would be attributable to the completed service, the agency is not obligated to pay the employee any outstanding incentive payments attributable to completed service unless such payment was required under the terms of the retention incentive service agreement.

#### When No Service Agreement is Required

For retention incentives that are paid in biweekly installments when no service agreement is required, this agency must review each determination to pay the incentive annually to determine whether payment is still warranted and certify this determination in writing. The Agency must reduce or terminate the retention incentive whenever payment at the original level is no longer warranted. In addition, the HRO must terminate the retention incentive authorization when no service agreement is required if the employee is demoted or separated for cause, receives a rating of record of less than “Fully Successful” or equivalent, or the agency assigns the employee to a different position (See 5 CFR 575.311(g).)

HRO will notify an employee in writing when it terminates a retention service agreement or a retention incentive when no service agreement is required. Termination or reduction of a retention incentive is not grievable or appealable.

## **Retention Incentives Requirements and Approval Procedures**

1. In determining whether to authorize a retention incentive, supervisors, nominating officials and authorizing officials must consider a number of factors applicable to the case at hand. These factors may include, but are not limited to, employment trends and labor-market factors, non-Federal salaries paid for similar positions, special or unique competencies required for the position, agency efforts to use non-pay authorities, and the desirability of the duties, work or organizational environment, or location of the position. (See 5 CFR 575.306(b) and 5 CFR 575.306(c)). The written determination authorizing the retention incentive must specifically address one or more of these factors, or other pertinent factors, and must address the basis for determining the amount of the incentive and the basis for the length of the service period if required.
2. Retention incentives up to 25 percent of an employee's basic pay (to include locality payments or special rate supplements) may be paid to employees likely to leave the Federal service in the absence of the incentive.
  - a. The percentage will be determined by the authorizing official based on one or more of the criteria listed in 5 CFR 575.306(b) and in B.3 of this policy.
  - b. All retention incentives will be paid in biweekly installments derived by multiplying the rate of basic pay the employee earns in an installment period by the percentage established for the employee.
  - c. Service agreements are not required for retention incentives paid in biweekly installments paid as specified in this section.
3. Retention Incentives may be paid provided there is a written determination that the unusually high or unique qualifications of the employee or a special need of the organization for the employee's services makes it essential to retain the employee, and in the absence of a retention incentive, the employee would be likely to leave the Federal Service.
4. Incentives may be paid only when the employee's rating of record (or official performance appraisal or evaluation under a system not covered by 5 U.S.C. Chapter 43 or 5 CFR Part 430) for the position held immediately before the move is at least "Fully Successful" or equivalent. (See CFR 575.305(d) and 575.311(b) and (g) (4)).
5. An employee selected to receive a retention incentive that includes a service agreement, must sign an agreement stating the terms, limitations, or conditions of service prior to receiving any payments.
6. Supervisor, Nominating Official recommends the action and amount of percentage to Human Resources Office for review and approval for the action. Level of review will be at least one level higher than the requesting official for documenting need, recommending the amount of recruitment incentive and the length of the required service contract to HRO.



7. The service agreement will:
  - a. State the period of service agreed to by the employee
  - b. State the beginning and ending dates of the service period and the total amount authorized for payment. Service periods must begin on the first day of a pay period and end on the last day of a pay period. The incentive may be paid as an initial lump-sum payment at the beginning of the service period, in installments throughout the service period, as a final lump-sum payment upon completion of the service period, or in a combination of these methods.
  - c. State the total amount and method of payment of the incentive
  - d. State the conditions under which the Agency must terminate the agreement (i.e., an employee is demoted or separated for cause, or receives a rating of record of less than “Fully Successful”). The agreement may include other terms or conditions that, if violated, also will result in termination of the service agreement (i.e., loss of required licensing, loss of required security clearance); and
  - e. State the consequence of decisions to terminate service agreements
8. An employee who fails to complete the period of service specified in the service agreement for the reasons stated in 5.d. must reimburse the Agency for the amount of all benefits received under the existing agreement that are in excess of the amount attributable to completed service.
9. An employee who fails to complete the period of service because the authorizing official unilaterally terminates a service agreement based solely on a management need is entitled to all incentive payments already received.
10. An authorizing official must notify an employee in writing when an employee’s service agreement is terminated. Decisions to terminate agreements may not be grieved or appealed.
11. An authorizing official may unilaterally terminate service agreements based solely on management’s needs, such as reduction in force or insufficient funds (See 5 CFR 575.111 and 575.211). Service agreements must be terminated when an employee is demoted or separated for cause or receives a rating of record of less than “Fully Successful” or equivalent.
12. The debt collection process for continuing employees is outlined in DoD 7000.14-R, Department of Defense Financial Management Regulation (DoDFMR), Volume 8, while that for debtors no longer in Government service is found in DoDFMR, Volume 5.

## **Documentation**

1. Each authorizing official is responsible for ensuring that each incentive is documented and records are maintained in accordance with 5 CFR, Part 575, and this plan.
2. Incentives will be processed in the Defense Civilian Personnel Data System (DCPDS) in accordance with OPM processing instructions.
3. The supervisor will forward original documents through the nominating official to HRO. HRO will maintain original and return copies to supervisor for plan review and analysis.

## **Reporting Requirements**

1. Data from DCPDS will be the primary source of numerical information on the use of incentive authorities.
2. This Agency will provide narrative reports to OPM on the use of incentive authorities to meet OPM reporting requirements. (See 5 CFR 575-113(b)).

## **Accountability**

3. The HRO shall ensure appropriate and effective use of these authorities to support mission requirements.
4. The Authorizing Officials shall:
  - a. Determine which positions require the payment of an incentive
  - b. Annually review retention incentive, adjust payment amounts as warranted by conditions that have changed since the incentive was authorized, and record the results of this review in writing
  - c. Terminate recruitment or relocation incentive service agreements and retention incentive payments consistent with this policy; and
  - d. Keep accurate records of written determinations

## **References**

5 U.S.C. 5754  
5 CFR Part 575, Subpart C

## **Advanced In-hire Rates (Superior Qualifications Appointments)**

### **Description**

A superior qualifications appointment means an appointment made at a rate above the minimum rate of the appropriate General Schedule or Federal Wage Survey grade under authority of section 5333 of title 5, United States Code, because of the superior qualifications of the candidate or a special need of the agency for the candidate's services.

### **Covered Positions**

An advanced in-hire rate may be paid to an eligible individual in a General Schedule (GS) or prevailing rate position (Federal Wage Survey (FWS) includes WG, WL and WS).

### **Excluded Positions**

Advanced in-hire rates may not be paid to temporary appointees, employment which is neither full time employment nor principal employment of the candidate or those in positions excepted from the competitive service by reason of their confidential, policy determining, policy making, or policy advocating natures, agency heads or those expected to receive an appointment as an agency head.

### **Agency Plan**

Advanced rates are based on both superior qualifications and special agency needs. An advance in-hire rate may be offered to a new appointment or reappointment with a break in service of at least 90 calendar days. If employee indicates any previous federal employment which may be exempt from the break in service requirements his/her eligibility will be determined by the Approving Official. An advanced rate may be based on a candidate's unique qualifications which would have exceptional value to the mission or program goals of the State. **The agency must consider the possibility of authorizing a recruitment incentive before authorizing superior qualifications.**

There is no attempt to match or exceed a candidates existing pay, either military or civilian. The intent of the program is to improve the recruitment of highly qualified individuals by offering pay commensurate with their training and experience.

Each case must be evaluated with consideration as to:

1. The requirements of the position for direct program management or operation. It would **not** be appropriate for a position which provides administrative support.
2. The lack of high-quality candidates with the type or quality of knowledge, skills or abilities needed, and the necessity of incentive above existing compensation.

## **Documentation**

HRO/AZNG local form (Sample 1) includes certification as either new appointment or reappointment with a break in service of at least 90 calendar days.

The Advanced In-hire Rate Recommendation forms (Attachments 1 & 2) specify the criteria used to recommend the advanced rate based on level and type of experience. Part of documenting Superior Qualifications appointment is documenting the consideration of a Recruitment Incentive instead of, or in addition to advanced in-hire rates. Ref 5 CFR 531.203(b) (3) and (4)

The form which follows this section will be used by the Local Supervisor/Selection Panel during the interview process. This form will be forwarded through the Nominating Official as part of the employment package for their signature. It will then be forwarded along with other employment package documents to Human Resource Office final review and approval. A copy of the approved document will be returned to the Selecting Official to maintain in accordance with local filing procedures and to serve as a data base to evaluate the plan's success. The Human Resources Office will maintain a copy of all request and approval documentation for tracking and reporting purposes. The original approval must be filed as a permanent document in the individual's Official Personnel Folder as justification for the higher rate of pay.

Superior Qualifications is subject to an NGB-imposed limitation of no more than 20% above the individual's current salary (step 1). The primary authority for GS technicians is 5 CFR 531.203(b); the parallel authority for FWS technicians is 5 CFR 532.

## **References**

Sec 531.203 General provisions

5 CFR 532

TPR 300.338.6

NGB-HRC Policy Letter dtd 21 June 1995

Subject: Decentralization of Personnel Authorities

Sample 1

## **HRO/AZNG Advanced In-hire Rate Request**

NAME: \_\_\_\_\_

Date \_\_\_\_\_

ANNOUNCEMENT: \_\_\_\_\_

Previous civilian federal employment: Yes\_\_\_\_ No\_\_\_\_ (if prospective employee indicates previous federal civilian employment without a break in service of at least 90 days refer to the Agency Plan in this section) and provide additional information for the Approving Official to determine eligibility)

Profile 1 Candidates: 5-8 years experience in career field. \_\_\_\_ Years \_\_\_\_ Months

5-6 years = Step 2

7-8 years = Step 3

Profile 2 Candidates: 9 or more years experience in career field. \_\_\_\_ Years \_\_\_\_ Months

9-10 years = Step 4

**Requested advanced in-hire rate of step**\_\_\_\_\_

Note: Do not give credit for less than whole year increments.

Selecting Official Name, Grade\_\_\_\_\_

Unit/Title\_\_\_\_\_

Phone Ext \_\_\_\_\_

MEMORANDUM FOR AZAA-HR

Date \_\_\_\_\_

FROM: Selecting Official/Nominating Official

SUBJECT: Advanced In-hire Rate Recommendation

Name \_\_\_\_\_ Step \_\_\_\_\_

In accordance with the AZNG Recruitment, Relocation and Retention Incentive Plan, \_\_\_\_\_ is recommended for an advanced in-hire rate based on superior qualifications and the special needs of this agency. The recommended rate is GS \_\_ or WG \_\_, step \_\_. Attached is AZNG Advance In Hire Rate Form which establishes eligibility and documents the criteria used to determine the advanced rate recommendation. In addition, the SF52 included in this package indicates the advanced rate and is provided for use upon approval of this recommendation.

Nominating Official Name and Grade \_\_\_\_\_

Title/Unit \_\_\_\_\_

Phone Ext \_\_\_\_\_

Approve \_\_\_\_ Disapprove \_\_\_\_

SUSAN L. WEHRLE, Col, AzANG  
Human Resources Officer